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# Minutes

## Board of Natural Resources

September 7, 2004  
Olympia, Washington

### BOARD MEMBERS PRESENT

Doug Sutherland, Commissioner of Public Lands

Bob Nichols for Governor Gary Locke

Terry Bergeson, Superintendent of Public Instruction

Bruce Bare, Dean, University of Washington, College of Forest Resources

R. James Cook, Interim Dean, Washington State University, College of Agricultural, Human, and Natural Resource Sciences

Glen Huntingford, Commissioner, Jefferson County

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### CALL TO ORDER

Chair Sutherland called the meeting to order at 9:05 a.m. on, September 7, 2004, in Room 172, NRB, Olympia, Washington.

### APPROVAL OF MINUTES

MOTION: August 19<sup>th</sup> Retreat Minutes Not Completed (No Action Necessary)

### LAND TRANSACTIONS

#### Annual Performance Report (Handout 1)

Robin Estes, Assistant Division Manager, Asset Planning & Transactions updated the Board on current DNR land transactions. She reported transactions as follows:

July 1, 2003-June 30, 2004

- Completed sales/transfers: 17
- Completed Purchases: 9
- Cash value of sales /transfers: \$16,654,220
- Cash value of purchases: \$10,367,222
- Acres disposed: 617
- Acres purchased: 3,926

Sales and transfers of low performing assets:

- 7 rural properties in Grant County
- 1 ecological transfer
- 2 urban/rural trespass resolutions
- 1 forested property
- 4 undeveloped urban properties
- 2 commercial zoned properties
- Purchases by asset class:

- 5 agricultural
- 4 forested properties

DNR targets returns of 5% across all asset classes, with some sub-classes producing higher returns  
Fiscal Year 2004 Allocation strategy for land replacement fund appropriations:

-2/3 to purchase new agricultural and commercial assets

allocation: \$24.2 million Spent: \$8.5 million

- 1/3 for asset improvement and enhancement of the existing land base

allocation: \$12.1 million Spent: \$1.8 million

Disposals		Acquisitions
\$16,620,220	Market Value	\$10,367,222
\$3100 Lease Revenue	Annual Income	\$711,000
Less than 1%	Rate of return	6.9%

Appropriation 03-05 \$36.3 million

Spent/committed \$14.3 million

Remaining \$22 million

She concluded by stating that DNR would continue to bring good commercial, agricultural and forest land properties to the Board as provided by the appropriation.

## LAND TRANSACTIONS

### Vashon & Maury Islands Phase 1 TLT #02-076082 (Handout 2)

Mr. Challstedt began by briefly going over the program summary; he then gave a brief description of the properties:

- Three properties in King County
- Vashon and Maury Islands
- Access by ferry from West Seattle, Tacoma, and Southworth.

Parcel 1=200 acres; Parcel 2= 18 acres; Parcel 3= 19 acres

### Characteristics:

- Three properties: 237 acres
- Timber Volume: 2,113 Mbf
- Land Use Zone: R. Residential
- Trusts: Common School & Escheat
- Parcel 3: Deeded to DNR for wildlife preserve and wilderness area

Ms. Bergeson asked what Escheat meant?

Mr. Challstedt explained that when a party dies and they do not have heirs, Department of Revenue transfers the property to DNR to manage for benefit of common schools.

Ms. Bergeson asked why parcel three would be included in this transfer?

Mr. Challstedt said the parcel is not in a forest zone and therefore can't be managed for forest production.

Slide 7:

Values

Land: \$2,995,000 ~ \$12,637/ac

Timber: \$840,500 ~ \$398/Mbf

Total: \$3,835,500 ~ \$16,184/ac

Value by Property

200 acre: \$3,440,500 ~ \$17,202/ac

18 acre: \$75,000 ~ \$4,167/ac

19 acre: \$320,000 ~ \$16,842/ac

Benefits:

- Trust divests of isolated properties
- Timber value benefits school construction
- Land value used to acquire replacement property
- King County retains land for public use
- Use restricted to open space or recreation in perpetuity

Mr. Nichols asked which parcel had the deed restriction for wildlife?

Mr. Challstedt responded that parcel two had the deed restriction.

Mr. Nichols asked if the deed would be included in the transfer?

Mr. Challstedt said yes.

MOTION: Terry Bergeson moved to approve Resolution #1135.

SECOND: Bob Nichols seconded.

ACTION: Motion passed unanimously.

DISCUSSION: Mr. Huntingford asked if all the parcels would receive the deed restriction once the sale is complete, and if so he felt the difference in value was interesting.

Mr. Challstedt said yes all the parcels would be subject to legislation.

White Salmon Oak Intergrant Exchange #86-076084 (Handout 3 & 4)

Mr. Challstedt began by giving a brief description of the property to be transferred: 3 miles north of White Salmon in Klickitat County.

- NRCA borders north & west boundary
- Oak, fir, Pine ecosystem
- Prime habitat for Western Gray Squirrel

Characteristics

- Forest Board Trust
- 236 acres

- 70-100 year Douglas fir, Oregon White Oak, Ponderosa Pine
- Soil site index:97
- Land use zone: Resource Land (1 unit/20 acres)
- County Road Access
- HBU: Timber production and rural residential

Common school trust to Forest Board transfer trust; Forest Board Trust; Normal school trust; Trout Lake NAP.

Characteristics:

- Common School Trust
- 281 acres
- 79 acres
- 20-29 year Douglas fir, TF??, Ponderosa Pine
- 198 acres ~ 72-92 year Douglas fir, TF??
- Soil site index: 103
- HCP designation:NRF

Mr. Challstedt explained that a public hearing was held July 8, in White Salmon. Two newspaper reporters attended however no testimony was received.

Exchange Balance

Trust	Acres	Timber Volume	Timber Volume	Land Value	Total Value
Forest Board	236	2,134 Mbf	\$711,000	\$590,000	\$1,301,000
Transfer			\$333/Mbf	\$2,500/acre	\$5,513/acre
Common	281	4,916 Mbf	\$1,180,000	\$121,000	\$1,301,000
School			\$240/Mbf	\$431/acre	\$4,630/acre
Difference	45	2,782 Mbf	\$469,000	\$469,000	\$0

Exchange and Transfer Benefits

- Forest Board Trust repositioned to land better suited for timber production
- Common School Trust repositioned for transfer
- Timber value benefits school construction
- Land value reinvested in productive land
- Property dedicated for habitat and recreation under the NRCA program

MOTION: Terry Bergeson moved to approve Resolution #1136 (White Salmon Oak Intergrant Exchange.)

SECOND: Bob Nichols seconded.

ACTION: Motion passed unanimously.

DISCUSSION: Mr. Cook asked if this was a two-step process?

Mr. Challstedt responded that it's a two step process to get to the transfer. The Trust Land Transfer program is drafted to transfer Common School Trust land and legislation allows DNR to do intergrant exchanges if the land dedicated for transfer is not Common School Trust.

MOTION: Terry Bergeson moved to approve Resolution #1137 (White Salmon Oak Trust Land Transfer)

SECOND: Bob Nichols seconded.

ACTION: Motion passed unanimously.

Columbia Tie Road Land Acquisition #08-076448 (Handout 4)

Mr. Challstedt explained that this property is located in Northern Clark County on a small forested block of state ownership it adjoins other forest board land and DNR has an easement to access property to the South.

Characteristics:

- Douglas fir, minor hemlock and alder
- Site II, Site Class 120 to 132
- Stands will be commercial thinning age within next decade
- Operable with ground equipment
- County road access

Values:

- Sealed bid auction
- \$1,200,000 ~ \$3,371/acre
- Rate of return: 5.25%

Benefits:

- Consolidates state land
- High site soils – operable topography
- Timber revenues within 10 years
- County Road Access

MOTION: Terry Bergeson moved to approve Resolution #1138.

SECOND: Bob Nichols seconded.

ACTION: Motion passed unanimously.

DISCUSSION: Ms. Bergeson asked if there was a straightforward plan to spend the entire appropriation of \$22 million.

Ms. Estes said yes.

Timber Sales - Jon Tweedale

Mr. Tweedale began by giving a brief description of the July 2004 sales results: 7 sales offered & 7 sold; 39.6 mmbf offered & 39.6 mmbf sold; \$10.73 Million min. bid & \$13.8 million sold; \$271/mbf & \$349/Mbf; average number of bidders 5; 29% above minimum bid.

August 2004 Sales Results:

17 sales offered & 17 sold; 54.5mmbf offered & 54.5 mmbf sold; \$13.2 million minimum bid & \$18.2 Million sold; \$237/mbf & \$335/mbf sold; average number of bidders 5; 38% above minimum bid.

Proposed October 2004 Board Sales:

6 sales offered at 22 mmbf; \$5.1 million minimum bid; average \$229/mbf

October 2004 Board Sales:

Recommend all 6 sales at 22,007 mbf with a minimum bid of \$5,053,000 be approved for auction for the month of October.

MOTION: Glen Huntingford moved to approve October 2004 Timber Sales.

SECOND: Jim Cook seconded.

ACTION: Motion passed unanimously.

## **PUBLIC COMMENTS FOR AGENDA ACTION ITEMS**

### Bonnie Phillips - Olympic Forest Coalition (Handout 6)

Ms. Phillips stated that she is chair of the Olympic Forest Coalition. She began by pointing out that according to DNR 63% of the State forests are in poor health; by 2067 the projection shows 61% still in poor health. She referred to the August Retreat and specifically the Olympic Experimental State Forest (OESF) field trip and talked about how the Olympic Region presented examples of thinning that would assist in making forests healthier, in her opinion the preferred alternative relies on 80% of the volume coming from clear cutting and a low percentage coming from restoration thinning. Ms. Phillips talked about the climate change scenario for the Pacific Northwest being primarily for warmer winters and summers, less snow pack, greater disease & insect infestation, and erratic weather patterns; she feels that implementing the preferred alternative would exacerbate these problems (flooding & loss of homes). She said that Dr. Jerry Franklin has stated that the older forests would survive best in the new climate. She urged the Board to remember their legal and moral obligation to future generations when deciding on the preferred alternative.

### Earl Graves - Olympic Forest Coalition

Mr. Graves stated that he is a member of the Board of Directors of the Olympic Forest Coalition and thanked the Board for allowing him to comment on the Sustainable Harvest Calculation (SHC). He stated that at the August Retreat it was mentioned that there may be selective logging of Old Growth forest as part of the preferred alternative; he feels that it would be wiser to scientifically test if thinning creates Old Growth faster rather than selectively logging in the hopes that it will provide enhancement for further growth. He stated that species die in the natural process of evolution he suggested that might be the fate of the spotted owl however he feels that as a superior species on this planet there is a responsibility to allow such a process to occur naturally. In his opinion all Old Growth and its inhabitants should be preserved.

### Dean Rae Berg - Silvicultural Engineering (Handout 7)

Mr. Berg began by giving a brief description of the financial and economic analysis of the preferred alternative. He stated that increasing the allowable cut, what in his opinion, are historically high levels would further depress the regional timber pricing. In his opinion this is an economic case of a public agency unfairly competing in the market place to displace and devalue private forest industry. He stated that the margins of the export market have diminished so that the domestic market receives the logs generated in the state. Imports of Douglas fir from abroad are depressing domestic log markets, restrictions have made production from private timber lands more expensive and fuel prices have

escalated, increasing production costs and driving transportation costs to a new high; he feels that these economic factors have been discounted in the preferred alternative.

Richard Darnell - Olympic Forest Coalition (OFC)

Mr. Darnell stated that OFC has had the opportunity to meet with Olympic region staff and tour some of the managed lands. He was pleased that many aspects of the silvicultural management were progressive and innovative in reaching the goals of the HCP. He expressed OFC's concern that an increase in harvest would compromise the values and intent of the OESF as it is described in the Habitat Conservation Plan (HCP). He referenced the Elk Creek Thinning and pointed out that wild Coho were flourishing next to a managed thinning, the forest floor had downed woody debris, and there was plenty of vegetation. He talked about the preferred alternative and what the impact would be on wildlife. OFC feels that the cut level in the preferred alternative is too high and would result in adverse ecological impacts and short-term economic gains with long-term economic losses. Olympic Forest Coalition believes that the Olympic Experimental State Forest should be managed under the HCP, which balances economic gain and environmental health.

Peggy Burton - League of Women Voters (Handout 8)

Ms. Burton began by stating that the League of Women voters has put a lot of effort into forest management and natural resource issues. She stated that one important issue to the League is that the preferred alternative would foreclose the possibility of Forest Stewardship Certification (FSC) for enhancement of economic value of the forest and the protection of natural resources. She expressed concern for the loss of intergenerational equity if the preferred alternative is adopted.

Becky Kelley - Washington Environmental Council (WEC) (Handout 9)

Ms. Kelly stated that whether the Board chooses 597 or 636 for the ten-year target level the plan would have negative impacts on Washington's environment and on the trust beneficiaries. She explained that a majority of the logging under the preferred alternative would be clear cutting, heavy thinning, and small clear cuts next to streams; harming Salmon. A conservative approach may be taken that is different than the model making it difficult to reach the target. In her opinion the 1% of the forest that contains Old Growth could potentially be logged because DNR is unwilling to protect it long enough to seek money to buy it from the trusts. She stated that in the next 70 years harvest levels and revenues would decline compared to the first decade leaving beneficiaries struggling to make up the difference; in the year 2067 according to DNR 61% of the state forests would still be unhealthy. Ms. Kelly pointed out that the new plan perpetuates the unhealthy forests and pushes the tough choices out to the future. She conveyed that her statements were not made because she cares more about wildlife than school children and rural communities that depend on logging receipts from state forests; she truly believes that if "we" do not invest in the health of the trust forest assets over time they will cease to provide the state with the things we need such as, money for schools, roads, hospitals, clean water, wildlife habitat, and places to recreate. She noted that longer growing cycles, variable density thinning, and leaving more trees at final harvest could help restore diversity and health to the second growth forests while producing greater revenues and employment than industrial forestry would. FSC would recognize good forestry, build public support for state forest management, and help DNR's wood compete more effectively in a market that will be increasingly crowded with cheap low quality wood. She suggested exploring supplemental sources of income for school construction and urged the Board not to adopt the preferred alternative but to find a solution that works for the state's fish and wildlife, the health of the forests, and the trusts.

Marcy Golde - Public Citizen (Handout 10)

Ms. Golde stated that she is a member of the WEC's Board of Directors but would be speaking on her own behalf. She explained that the 597 or 636 target level for the first decade is not truly sustainable for the trust beneficiaries or the public. The average harvest level for the next 60 years is 525 or 532; in



either case the average for the next six decades drops significantly. In the next six decades the target level would never reach the 597 or 636; she wondered what sustainable harvest really means if it's not sustained? She urged the Board to postpone their decision and set an environmentally sustainable number.

Toby Thaylor - Washington Forest Law Center (WFLC)

Mr. Thaylor stated that he has been working on public resource management in Washington State forests for 25 years. He emphasized that the Board's decision on setting a sustainable harvest level concerns a public trust. He pointed out that a key aspect of public trust management is reflected in the word "legacy"; the obligation of the Board is to look into the future and leave a legacy of forests at least as healthy as they are today, as capable of producing trust revenues, and conserving of public resources such as clean water, healthy fish and wildlife habitat. The Board should also look into the past to evaluate the legacy impacts of timber harvests; in his opinion the reason why there are currently a high percentage of unhealthy forests. Looking to the past should provide the Board with the ability to undo those impacts. Mr. Thaylor felt that the preferred alternative failed to deal with legacy impacts and failed to leave an intact legacy for future generations.

Jim Mulligan - Earth Ministry

Mr. Mulligan stated that his organization has considerable concerns about the preferred alternative most importantly that in managing the public trust BNR/DNR has lost the trust of the public, particularly in Old Growth, clear cutting, and FSC. He expressed concern about harvesting near streams and intergenerational equity concluding that the proposed plan doesn't seem to be sustainable or in the best interest of the public.

Robert Stagman - Public Citizen

Mr. Stagman commented that the preferred alternative is deficient in many key areas and a bad scenario for the people of Washington State. He expressed concern over the fact that this plan would likely preclude any future possibility of FSC permanently depriving State Land Forest products of critical leverage in a highly competitive international market and further undermining public confidence in the wisdom and quality of State Forest Management. Mr. Stagman pointed out that according to DNR's own analysis the 636-target level is not sustainable stating that harvest volumes and trust revenues decline after the first ten years and never recover. In his opinion the preferred alternative perpetuates all of the errors in forest management that have resulted in 63% of the forests being in unhealthy conditions, specifically high volume harvests on a short growing cycle and projecting a 38% increase over current logging levels. He stressed that 80% of the logging is projected to be in clear cuts and heavy thinning. He suggested variable density thinning and selective logging as a proven forest management regime that would provide long-term harvests and maintenance of healthy wildlife habitat. He emphasized that the public has consistently appealed for preservation of a miniscule amount of Old Growth and he feels that the new plan fails to provide for protection of remaining Old Growth; he concluded by saying that the preferred alternative needs to be extensively re-worked.

Debbi Edelstein - Executive Director - Audubon Washington

Ms. Edelstein explained that she was representing their 25 chapters and 22,000 members statewide. She stated that in May Audubon Washington released the state's first "State of the Birds" report; based on a significant amount of science it demonstrated that 1/3 of the state's birds are in decline. 93 of the 317 common species in the state of Washington are at risk and declining; 37 of those bird species are forest dependant and 11 are riparian dependant. She stated that these birds would not be stabilized or brought back unless the State of Washington invests in conservation efforts. She commented that the preferred alternative is the highest risk to endangered species out of all the alternatives; it increases logging on state forests by 38%, 80% of the logging as clear cuts, and it relaxes protections for riparian



areas before the conclusion of negotiations with the Federal Services. She pointed out that in DNR's own plan it shows that 64 years later 60% of the forests would still be unhealthy. In her opinion this plan does not seem sustainable. She stressed that the FEIS was completed before the Fish and Wildlife service made a decision on the federal status of the spotted owls. She recommended that the Board not make a decision until those negotiations and ruling are complete. She explained that it's premature to adopt a 70 year harvest calculation with out first completing the Marbled Murrelet management plan. She concluded by saying that the Department should be looking at FSC.

#### Steven Harper - Public Citizen

Mr. Harper explained that he lives near Lake Sammish and Blanchard Mountain and wanted to convey to the Board that a lot of the forest land in the Lake Sammish watershed had originally been harvested in the early 1900's but in the past 15 years much of the area has been clear cut primarily by timber companies and private land owners with a minimal amount of trust land harvests. These harvests have resulted in streams drying up, surface water wells in the area drying up in the summer, stream flow in a key Salmon stream slowing to a trickle, and clarity of the lake being greatly reduced due to runoff. He stated that this scenario is exactly what the preferred alternative would exacerbate. He reminded the Board of their responsibility to manage the trust lands and to develop a plan that responds to the long-terms needs of the citizens of the State of Washington.

#### Craig Engelking - Sierra Club

Mr. Engelking spoke on behalf of the Sierra Club and it's 26,000 members to oppose the SHC and urge the Board to go back to the drawing board. Mr. Engelking and the Sierra Club do not understand how DNR can increase logging by at least 30% and at the same time protect Old Growth, streams, and habitat. In his opinion DNR has not provided sufficient buffers for streams or steep hillsides, and in his opinion the department's commitment to protecting habitat is weak. He expressed concern over DNR's direction to harvesting shorter rotations to provide more revenue in the near term at the expense of future generations. He stated that DNR should commit now to protection of Old Growth and include certification into the harvest level. He concluded that the citizens of Washington treasure the state forests for the recreational opportunities, water, beautiful scenery, and wildlife habitat they provide and want these things protected for future generations; he urged the Board to re-evaluate the preferred alternative.

#### Steve Reed - Public Citizen

Mr. Reed stated that he and his wife are residents of Sudden Valley in the Lake Whatcom Watershed. He said that they use the land for hiking and wildlife observation and value the lands for the wildlife habitat they provide, for their unspoiled assurance of cool even stream flows, and for the myriad of non-motorized recreational opportunities. He pointed out that state land forests are important to the community as field classrooms and scientific research areas for all students. He stressed that with little Old Growth remaining on state lands any further harvest of trees over 150 years of age should be discontinued. He emphasized that short rotation timber harvesting in his opinion is devastating the ecosystem as well as adversely impacting the potential to fully capture Washington State's share of the growing eco-tourism trade. The streams in the Lake Whatcom area are degraded from past forest mismanagement upstream; the local DNR forests need a longer recovery cycle before the resumption of selective truly sustainable harvest. He reminded the Board of their responsibility to set policy that will maintain a legacy of native biodiversity. Mr. Reed mentioned that a main concern of living in an urban interface area is wildfire and DNR should focus on thinning those areas of harvestable conifers. In his opinion the preferred alternative fails to provide sustainable timber revenues, fails to provide for the maintenance of biodiversity, fails to protect water quality, and fails to represent the best long term interests of all the citizens of Washington.

#### Lisa McShane - Northwest Ecosystem Alliance

Ms. McShane stated that DNR is increasingly at odds with communities, neighborhoods, and property owners throughout western Washington; she stressed that people are worried about water quality, flooding, and landslides. Increasing logging by 38% mostly in clear cuts, allowing logging on unstable slopes, and clear cutting next to streams as the preferred alternative proposes would only increase those problems. Ms. McShane pointed out that the FEIS says that 63% of the forests are unhealthy and in 62 years of this plan 61% would still be unhealthy; she wondered how this plan increases forest health. She pointed out to the Board that they are voting on a plan that according to the FEIS has significant cumulative effects; compared to current management the preferred alternative reduces the botanical diversity of the state forests, does not protect Old Growth, has negative impacts to water resources, increases sediment going into streams, leaves stream buffers with fewer large trees, triples the number of watersheds where more than 50% of the entire watershed could be in clear cuts or brand new forests like seedlings. Logging on unstable slopes, clear cuts on a high percentage of the land base and clear cut logging next to streams creates high impacts to wildlife, fish, and communities. She asked that on behalf of Northwest Ecosystem Alliance and its 8,000+ members the Board reject the preferred alternative.

Break 10:15

Reconvene 10:30

#### Rod Fleck - City of Forks (Handout 13)

Mr. Fleck began by saying that the Board is at a historical turning point after 31 1/2 years of working on the SHC. He commended the staff for being available for questions on complicated concepts and helping them to learn the different issues facing the Department and the counties. He stated that the City of Forks does not support the 597 target level because it does not provide enough revenue for the trust beneficiaries, it's not as beneficial to overstocked forest stands, and it appears high on hopes of fulfilling laudable objectives of reaching habitat needs above and beyond the HCP. He stated that the 597-target level keeps an annuity in effect when the needs are now and real to the schools, fire districts, and hospitals. He expressed the counties support for alternative 5 but also would be willing to support the 636 if after its adoption the analysis of tradeoffs within the OESF volumes were explained. The counties would also support the 636 if the Board seeks compensation from the trustee for lost harvest opportunities between the volumes of the HCP and the preferred alternative if volumes or stands are left for habitat goals that exceed the HCP agreement, and if the Board would create a plus or minus 10-15% operational margin versus the 25% one currently in place. He expressed concern about making changes to the Forest Resource Plan indicating that it could result in a recalculation of the SHC.

#### Karen Fant - Public Citizen

Ms. Fant began by explaining that she has been a resident of Washington for over 30 years and has worked on public lands and forest issues throughout that time. She stated that she does not support the preferred alternative and in her opinion the no action alternative would be better. She feels that an S.O.S plan should be put in place for state forests, she explained that S.O.S stands for Sustainable, Old Growth Protection, and Salmon Habitat. She emphasized that the preferred alternative is a recipe for ecological disaster and encouraged the Board to look at additional alternatives for this proposal.

#### Kendra Smith - Skagit County - Natural Resource Lands Policy Coordinator

Ms. Smith stated that she was testifying on behalf of the Skagit County Board of Commissioners. Her first comment was to commend the Board for supporting the preferred alternative, which is the 636-target level, and for understanding the revenue needs of the trust beneficiaries. The Skagit County Board of Commissioners are concerned over the possible implementation of 597 as a target level fearing that it would not provide the revenue needed for the timber counties because of the 2.4 million annual difference between the 597 and 636. She remarked that stabilizing and preserving the timber industry in Skagit

County is extremely important socially and economically; she urged the Board to adopt the 636 as the target level.

Colby Chester - Public Citizen

Mr. Chester said that state landowners are placing trust in the Board of Natural Resources and he commented on how much division there is over this decision. He stated that the decision that the Board makes today will have consequences far beyond the life span of anyone in the room and hundreds of thousands of people beyond the walls, he quoted Wendell Berry "We can never know what we are doing to the land because we have never known what we are undoing, we cannot know what we are doing until we know what nature would be doing if we were doing nothing." Mr. Chester said that he mentioned that as a cautionary note. He concluded by remarking that the best option for an uncertain future is one that leaves the most options open. He emphasized that it's time to think beyond trees and logging as the main source of this demanding beneficiary and he urged the Board to put some time aside to think about a time when these discussions would not be necessary.

Kayanna Warren - Public Citizen - Member of UW Sustainability Alliance

Ms. Warren stated that she is a student at the University of Washington and is also involved in UW's student alliance for sustainability. She remarked that on July 27<sup>th</sup> the UW President issued a statement that the University of Washington is motivated to be a steward for the environment and that includes environmentally sustainable building. She stated that two buildings have already been built with certified wood. She remarked that adopting the 636 target level would move away from any possibility of FSC certification and in her opinion the public lands should be capitalizing on the growing market of certified wood in order to remain competitive. She expressed her desire to see more buildings on the UW campus using wood coming from state lands but not at the expense of salmon, clean water, aesthetics, or future generations.

Tom Partin - President of the American Forest Resource Council (AFRC)

Mr. Partin stated that AFRC represents approximately 90 forest products manufacturers in twelve western states. He explained that their mission is to promote balanced and sustained management on state lands, which includes a consistent and predictable flow of renewable and natural resources from Washington trust lands. He pointed out that most AFRC members have their operations in small rural communities and the health of those communities is dictated by the health of the local forest products businesses located there. From AFRC's perspective forest health is community health and he mentioned that one of the most important programs in the region is the WA DNR timber sales program, the timber from this program has been a cornerstone in maintaining a large number of direct and indirect forest products in Oregon, Idaho, and California. AFRC's member companies are the vehicle by which the trees harvested by DNR are transformed into the dollars for the trust beneficiaries. Timber from the DNR program provides a large component of the resources needed to maintain the 15 billion board feet of wood products produced in the four western states and for employing nearly 120,000 forest product workers. AFRC is looking for a supply of raw materials that is consistent, sustainable, and predictable over time, similarly the trust beneficiaries are looking for revenue sources with the same criteria. Mr. Partin complemented the Board on undertaking such a lengthy and thorough examination of the resources on DNR land and from AFRC's perspective the preferred alternative at 636 strikes a reasonable balance.

Frank Backus - Chief Forester - SDS Lumber Company

Mr. Backus explained that SDS is a private lumber company located in Bingen Washington owned by the Stevenson family and has been in operation since 1946. SDS manages 60,000 acres of private timberland, operates a plywood mill, and two stud mills. SDS is a large economic contributor in the Gorge community by employing 300 permanent positions year round, the Stevenson family is an important part

of the White Salmon community; there are numerous instances where the Stevenson family has helped the community including the new library that was built and donated by SDS. These companies are common among AFRC members and are important to the communities they are near. SDS supports the preferred alternative; they need the assurance of the quantity and the sustainability that this alternative provides for the forest products industry.

Dave Ivanoff - Vice President - Hampton Resources

Mr. Ivanoff stated that he is responsible for the procurement of raw materials needed for sawmills in Morton, Randle, and Darrington and two sawmills located in Oregon. Washington employment in Hampton's sawmill operations is over 550 people and DNR timber is a vital component of Hampton's raw material mix. Since 1999 when Hampton Resources acquired the first of three Washington sawmills millions have been spent on upgrading the facilities to make them competitive in the global economy. Active forest management on DNR lands would provide a healthy environment, abundant revenue flow for the benefit of the trust, and create a healthy forest product sector which would strengthen Washington's urban and rural economies. He stressed that a steady, reliable, flow of timber is critical to companies like Hampton and others in order to maintain and grow the employment base and to ensure on-time delivery. He testified that he would like to respectfully disagree with comments made earlier about there being a glut of timber on the market; he suggested that there is a shortage of timber and the higher outputs proposed under the preferred alternative are needed to maintain the health of the forest products sector and to improve the economic well-being of the timber dependant communities. He concluded that the harvest level of 636 would provide sustainable timber outputs and revenue flow. He asked the Board to adopt the 636-target level.

Janet Strong - Public Citizen

Ms. Strong asked the Board to go back and look at the no action alternative to see that the status quo is working for the Department which can be seen by the timber sales brought forward earlier in the meeting. She remarked that a 38% increase in harvest in Capital Forest worries her because as a ridge top you can see patchy clear cuts. She commented that the remaining amount of Old Growth and the spotted owl could be victims if the preferred alternative is followed to the T. She remarked on the marbled murrelet and the importance of Old Growth for habitat. She urged the Board to adopt the no action alternative.

Polly Dyer - Olympic Park Associates

Ms. Dyer began with a brief history of her involvement in natural resources explaining that she was on the Forest Practices Board in the 1970's. She feels as if DNR is reverting back to its earlier focus on logging first and not into real sustained forestry. She commented that the recognition of riparian areas has seen improvement since the 1970's but that there needs to be improvement in procedures to protect riparian areas. Ms. Dyer wanted to make a point of the 60,000 acres of old growth left out of the original 2 million acres dating back to the 1800's and the importance of preserving it. She urged the Board to look to the future when making the decision on the harvest level and stated that this alternative does not do that.

Raelene Gold - Vice President - Federation of Western Outdoor Clubs

Ms. Gold explained that her organization is comprised of 50 member outdoor recreational clubs and environmental groups in 8 western states including Washington. She stated that at their 2002 annual convention a resolution was passed supporting sustainable forestry on DNR lands. She remarked that they oppose the preferred alternative because in their opinion it is not sustainable. She made a personal remark about how she grew up in Seattle and in the Seattle Public School System in the 40's and 50's; one thing that was repetitively taught was that they must grow up and keep Washington green. She remarked that one of her main concerns with the preferred alternative is the lack of protection for the remaining Old Growth; she feels that there should be a commitment to no net loss of the Heritage Forests because they are essential to the state's character. She noted that besides the many ecosystem benefits



that Old Growth possesses the intellectual capital of Old Growth should be considered; understanding Old Growth can teach everyone about long-term sustainable communities both natural and human and that cannot be learned in a classroom.

Michael Marsh - Conservation Chair - Washington Native Plant Society (Handout 14)

Mr. Marsh began by seconding others opinions that DNR should not be cutting Old Growth but rather increasing it's presence on state lands. He stated that Old Growth contains the majority of plant species in Washington State. He proposed that the Board do the following things to protect Old Growth: plan stand placement and development so that the migration and dispersal of native plants and organisms from older to younger stands could occur; minimize harmful edge effects to older forest stands; conduct tests as outlined in material he handed out to encourage early development of complex habitat; minimize entry of exotic plants; continue to extend protection to riparian areas. Mr. Marsh then asked DNR for information about the probable impacts both fiscal and environmental of the necessary road construction and risks of mass wasting from harvesting on unstable slopes.

Wendy Lagerquist - Public Citizen

Ms. Lagerquist began by showing pictures of Capital Forest and commented that she supports the no action alternative. She expressed her concern about the "take take take mentality" and what those consequences will be for the human civilization. She commented that the buffalo and wolves have been obliterated and in her opinion if this mentality is continued she wonders what the future will be like. Ms. Lagerquist explained her first experience of seeing a clear cut on a river trip describing that the buffer trees hid the clear cut but there was noticeable erosion and silt in the river. She again urged the Board to adopt the no action alternative.

Mr. Huntingford asked if the photos shown were all taken in Capitol Forest?

Ms. Lagerquist said yes.

Sarah Martin - Public Citizen

Ms. Martin explained that she is a recreational user of Capitol Forest and is concerned about the preferred alternative. She commented that one of the photos shown by Ms. Lagerquist had previously been marked as a research site not to be logged however it was done anyway. She urged the Board to look at more sustainable alternatives, understanding that the trusts provide revenue for schools, hospitals and other public services she feels that a more economic value would be to use FSC on state lands.

Peter Goldman - Public Citizen

Mr. Goldman stated that the Board has a duty to obtain income for the trusts but it must be balanced with intergenerational equity and protection of public resources such as stream quality, endangered species, etc. In Mr. Goldman's opinion the proposed SHC has been a "result-oriented cart before the horse process since the beginning". He noted that a couple of years ago the Board extended and adopted the Forest Resource Plan (FRP), which requires important landscape planning, and yet the Board proceeded to develop a sustained harvest calculation without considering what the impact of the policies within the Forest Resource Plan would be in conjunction with the SHC. Mr. Goldman remarked that the Forest Resource Plan should be completed before the SHC. He emphasized that 60-70% of the increased timber harvest would come from riparian and special management areas for spotted owls, murrelets, etc., he stated that under the preferred alternative the HCP is being jeopardized. Mr. Goldman stated that experts in biodiversity pathways have submitted comments to the Department indicating that DNR has misinterpreted those techniques. He urged the Board not to adopt the preferred alternative.

Eric Harlow - Staff Scientist - Washington Forest Law Center

Mr. Harlow stated that he wanted to begin his public comment focusing on the Northern Spotted Owl and the five-year review currently being worked on by the U.S. Fish & Wildlife Service. He explained that the results are preliminary but they do indicate two things of significant importance: the spotted owl populations are declining in Washington at a greater rate than was anticipated under the HCP; there are significant new threats that were not considered during the original planning for the recovery of the Spotted Owl. The FEIS adheres to DNR's HCP, which is now 8 years old and does not incorporate new information that has recently come to light. The Northern Spotted owl in Washington is facing grave danger and Mr. Harlow urged the Board to reconsider the preferred alternative due to the impacts on the Spotted Owl.

Jim McRoberts - Public Citizen (Handout 15)

Mr. McRoberts testified that he is associated with many of the organizations attending today's meeting conservation wise and also with several fishing organizations that have not been represented. He stated that according to DNR's FEIS the preferred alternative is not sustainable; why would the Board consider this target? He commented that the numbers show that for the next ten years DNR is going to be logging at an unsustainable rate, the state is supposed to manage the lands in a manner that will not disadvantage future generations. He emphasized that streamside areas would be logged heavily under the preferred alternative and that thinning near streams is still in the experimental phase; DNR should go slow. He reminded the Board that DNR is in the midst of negotiations with the Federal Services about specific guidelines for management next to streams under the HCP; in his opinion it does not make sense to set a target before these negotiations are complete. He expressed his concern that if the preferred alternative were adopted it would preclude DNR from FSC, which is a step that eight other states and private companies have already taken.

Carol Johnson - Executive Director - North Olympic Timber Action Committee

Ms. Johnson stated that they had hoped for higher harvest volumes but they do support the preferred alternative of 636, which is far less than the volume of annual forest growth on state lands. She stated that demand for forest products continues to increase and it makes no sense to import wood from countries with few environmental protections while exporting jobs when Washington State does such a great job of growing trees. She thanked the Board and DNR for all the hard work put into this process over the last several years.

Richard Anderson - Kitsap Audubon

Mr. Anderson opposed the increase in harvest level and expressed his concern over the potential loss of habitat for bird species.

Becky Stanley - Sierra Club

Ms. Stanley reported that she is a botanist. She explained that she had read a sustainable forestry research paper written in 1953 by Starker Leopold, son of Aldo Leopold; in the article Starker warned that if current forestry practices do not change the Spotted Owl and the Marbled Murrelet would become endangered species. She stated that over half a century later Starker's predictions have come true and with the preferred alternative clear cutting and over harvesting would continue the decline in these species.

Janet Way - President - Thornton Creek Legal Defense Fund

Ms. Way testified that she is a member of the Seattle Audubon Society, Sierra Club, League of Women Voters, a small business owner, and a member of Northgate and Shoreline Chamber of Commerce. She talked about the urban issues of Thornton creek and how they recently came up with a plan to daylight the creek at Northgate. She commented that the urban and rural voters put their trust in elected officials to ensure that the resources that are the heritage for their children who attend the schools that the Board

seeks to fund are secure and that the future will be secure for the habitat and the animals that are supposed to be protected. Ms. Way referenced an earlier remark in the public testimony regarding the mills needing consistent, sustainable, and predictable logs over time; she stated that fish need clean water and habitat that is consistent, sustainable, and predictable over time as well.

Bill Pickell - President - Washington Contract Loggers Association

Mr. Pickell expressed his support in the methodology, science, and politics that have resulted in the 636-target level. He stated that in his opinion the public doesn't understand that the 636 target level is less than 50% of the annual growth on state lands, which already contains an inventory of over 31 billion board feet of growing stock in Western Washington. He commented that from a private perspective most timberland owners would think the trusts aren't getting their best return with such a low harvest level, however that's the political equation that the Board must labor with. He said he agreed with the Olympian editorial staff that these sustainable calculations are not an exact science. He feels that the public is uninformed and that the Board needs to keep things simple so that voters are not misled. He stated that the preferred alternative is not a mistake and that the base inventory will still outpace the harvest level in ten years. He then asked, "Did you ever think, if at the end of ten years your lands are still unhealthy, that you're cutting too little?"

Leigh McKernan - Public Citizen

Ms. McKernan talked about how Eagle Ridge Development Corporation logged buffers behind her home causing landslides. She pointed out that some trust lands near her home are on unstable slopes and expressed concern about potential landslides.

Nancy Ladenberger - Kitsap Audubon

Ms. Ladenberger stated that the trees help with pollution and she urged the Board to take that into consideration in their deliberations.

Niki Thane - Friends of Sumas Mountain

Ms. Thane said she was speaking on behalf of herself and twenty other households that comprise the non-profit group Friends of Sumas Mountain, which is awaiting a hearing before the Forest Practice Appeals Board concerning a Forest Practice application on Sumas Mountain. She stated that over the last two years Friends of Sumas Mountain have been actively opposing what in her opinion is a poorly designed forest practice application. She expressed concern that the current system is stacked against citizen involvement in the fate of timberlands. In her opinion she feels that a more open system of public information is needed.

Vernetta Stewart - Sierra Club

Ms. Stewart began by saying that she enjoys backpacking and hiking especially in the Old Growth areas. She explained that she comes from an Eastern Oregon community and that several members of her family worked in the timber industry; she said she lived the life but has evolved from that era and appreciates the forests that Washington has. She mentioned stewardship and the idea that the earth is an organism and the forests are part of that; a gift to help humans sustain life. She noted that logging provides less than 10% of the revenues needed by schools for construction, she suggested seeking alternative funding for building schools. She feels that 8-14 leave trees per cleared acre are not enough. Ms. Stewart said the devastation of the forests is not worth it and in her experience logging didn't provide much of a living for her family; she feels that it's time to move forward and find other ways to sustain ourselves.

Hudson Dodd - Northwest Ecosystem Alliance



Mr. Dodd said that he was a grassroots organizer for a conservation movement in Whatcom County and an author of guidebooks for the Puget Sound Region. He stated that Old Growth forests are the reservoir of biodiversity and irreplaceable; he quoted Aldo Leopold, "The key to smart tinkering is to save all the parts." He emphasized that the preferred alternative is not sustainable and that the public is looking to the Board for leadership toward a sustainable harvest level. He concluded by saying that there were many people who could not make the meeting but wanted to voice that the sustainability of state lands is crucial to the future.

#### Dan Cothren - Wahkiakum County Commissioner

Mr. Cothren stated that with the preferred alternative his counties volume has dropped about 3 million board feet. He explained that there are sections that have marbled murrelet and Owl habitat on them taking 2,200 acres off-base. He stressed that 50-55% of the county budget comes from timber and the amount they are getting is not enough; he expressed support for the 636-target level.

#### Jim Davis

Mr. Davis stated that although there has been a lot of analysis the riparian procedures with the Federal Services are not yet agreed to. His analysis shows that the SHC won't be compatible with the HCP so he urged the Board to delay on the riparian portion because it is premature to make a decision without the completion of negotiations with the Federal Services.

## **CHAIR REPORTS**

#### Sustainable Harvest Calculation (Action Item) (Handout 16)

Chair Sutherland began by asking Bruce Mackey and Craig Partridge to do a brief overview and then consider the changes to the resolution. He stated that Dr. Bare had proposed some editorial and other changes, as well as Mr. Nichols. He then asked for a motion to consider resolution #1134.

MOTION: Terry Bergeson moved for consideration of Resolution #1134.

SECONDED: Bruce Bare seconded the motion.

Bruce Mackey, Land Steward, presented. He began by detailing the process of the sustainable harvest calculation that started close to 4 years ago. He informed the Board that the process started because by law the Board is required to calculate a sustainable decadal harvest volume that will continue without major prolonged curtailment or cessation. He indicated that to meet that obligation the Board has directed a balanced and forward-looking process with a set of policies upon which the harvest level will be determined based on best available science and sustainable forestry techniques. He listed the following principles put forth by the Board for consideration in setting policy for the sustainable harvest calculation: setting an allowable degree of variation in harvest level year to year, improving financial information used in the calculation, specifying priority environmental goals under state and federal law, using active and innovative forestry, protecting existing high quality Old Growth forest stands to meet targets for amounts of older forests in the future, carrying out an active monitoring and reporting program to enable the Board to track and adjust implementation of these policies based on the best scientific information available over time. He said the Board's policies were based on prudence, intergenerational equity, and undivided loyalty to the trusts; he emphasized that this has been a thoughtful, thorough, and open process. Mr. Mackey described how the Board relied on an unprecedented amount of information to formulate the sustainable forestry policies and decadal harvest level, including the DEIS, feedback from public meetings, extensive written comments, direct public comment to the Board, feedback from workshops, extensive outputs from the options model and the modeling staff, use of a technical advisory committee, outside consultants for economic resilience studies, and the FEIS. He stated that the Board's policies

incorporated the best available science and is supported by both the State and Federal wildlife services; meeting the obligation and intent of state and federal environmental laws and the requirements and intent of the HCP. He stated that the policies and analysis of the policies create a prudent balance between ecosystem health and revenue generation; the Board directed modeling shows that with active management environmental and economic goals need not be in conflict. He then explained that the resolution and edits had been handed out and that Jana Greer and Craig Partridge put the documents on the word processor and would make the changes as they went along.

Ms. Bergeson expressed her concern that anyone watching the last two hours of public comment on TVW would not believe the statements that Mr. Mackey just made regarding the Sustainable Harvest Calculation process; she noted several themes that she wanted to make sure were discussed at some point. She put forth the following items for discussion based on what she heard from the public: the preferred alternative is not sustainable; protection of Old Growth; clear-cutting & riparian areas, Fish & Wildlife decisions that have not been completed, and FSC Certification.

Mr. Nichols wanted to add the 63% versus the 61% forest health issue, why there is more harvest in the first decade versus the subsequent decades, the 38% increase in logging, and where the Federal agencies are in the riparian management agreement.

Craig Partridge, Policy Director, presented. Mr. Partridge began by stating that Superintendent Bergeson is correct in her perception that the picture painted for the Board & for the TVW audience bears little resemblance to what the Department and the Board members understand regarding what today's decision is all about. Mr. Partridge said he would summarize the questions raised.

#### Sustainability

Mr. Partridge stated that the Board's policies require a first decade harvest level within the boundaries of the statutory requirements for sustainability, which preclude any prolonged curtailment or cessation of harvest. He stated that there would be more standing inventory on state trust land forests in 60 years than there is now with the harvest level in the preferred alternative. Two-thirds of acreage on state trust lands are in special management riparian areas that severely limit harvesting activities and are limited to thinnings. The harvest level in the first decade compared to the levels in the succeeding decades is due to disproportionate age classes. One of the reasons there is more harvest in the first decade is due to the Board's goal to reduce the amount of unhealthy forests that are overstocked and start those forests on an ecological path towards forest complexity and habitat in the future; one of the features of the preferred alternative is doing more of the harvesting type that will start forests on that path in the first decade.

#### Old Growth

Mr. Partridge said that the Board is setting policy in the resolution consistent with the HCP; 10-15% of trust lands in Western Washington HCP planning units are going to be characterized by older forest structure across the landscape. The amount of this type of forest in the future will be 5 times more on state trust lands than occurs today. He commented on existing Old Growth stating two things: 1) The Board is reviewing the Forest Resource Plan and it has been agreed that it's the decision making arena in which to deal comprehensively with Old Growth 2) The Board is asking the Department to look at the ecologically functional Old Growth first to help meet the long term targets of 10-15%.

#### Clear Cutting

Mr. Partridge stated that the numbers quoted in the newspapers are disappointing to DNR staff because of the effort by the department to put out accurate information to the various groups that have inquired. He said that the amount of high volume regeneration harvest is 65% of the total harvest under the 636-target level; that's a lower percentage than exists now in the Department's suite of different harvesting

activities. Under the 597-target level the regeneration harvest would be 62%; well below the 80% that has been quoted by many people today. He noted that the image of clear cutting is compelling and that the Department is sincere in its description of regeneration harvest leaving 8-14 trees per acre, broad protection of all riparian areas, & protection of unstable slopes. He explained that ridgeline-to-ridgeline clear cutting of the past is not what DNR is doing with regeneration harvest.

#### Riparian Areas

Mr. Partridge said that the Department is very comfortable with the increased protections afforded to riparian areas. The modeling that has been done envisions harvest thinning primarily in riparian areas well within the limits negotiated with the Federal Services when the HCP was developed. The objective of all the treatments in riparian areas is to reduce the unhealthy crowding of stands that have grown up due to past harvesting and to accelerate the development of greater health. Mr. Partridge acknowledged that DNR is still negotiating the final touches of the riparian procedure; Fish and Wildlife Services, NOAA Fisheries, and DFW are all confident that the riparian procedure that they approve is what will drive the practices on the ground, not the modeling. The modeling is very close in volume to what is most likely to be approved; DNR has made worst-case estimates of reduction in volume that might occur with the approved procedures. Mr. Partridge explained that if the worst-case assumptions for reduced volume in riparian areas were carried out due to the approved procedure the overall harvest brought to the Board would be within a percent or two.

#### Forest Health

Mr. Partridge explained that under the preferred alternative forest health goes from 63% now to 61% at the end of the planning period; what people didn't hear is that under the no action alternative that number increases from 63% to 68% at the end of the planning period and under alternative 4 which was the passive management that number also increases into the high 60's. He stated that out of the alternatives presented the preferred alternative is the best at reducing the percentage of unhealthy forests.

#### Forest Stewardship Certification (FSC)

Mr. Partridge stated that the preferred alternative does not preclude Forest Stewardship Certification; DNR has been actively investigating both SFI and FSC Certification for several years. He reminded the Board that a few months back an FSC evaluation was given to the Board however that report was directly linked to alternative one losing millions of dollars to the trusts each year. He feels that there are plenty of opportunities to expose the preferred alternative to FSC and SFI for further evaluation.

Chair Sutherland asked Mr. Partridge to brief the Board on the status of SFI Certification.

Mr. Partridge noted that the Pinchot Institute rose funding for an update on FSC Certification including an office review by the Sustainable Forestry Institute (SFI). Pinchot was unable to raise the amount to complete the SFI field audit so the Department has undertaken that with DNR funding and that audit is half way through the process right now; the results should be available in several weeks.

Ms. Bergeson wanted to clarify that making a decision today on the preferred alternative would not impact a later decision on Certification or jeopardize the ongoing negotiations with the Federal Services.

Mr. Partridge said that was DNR's belief. He restated that the most effect the Department can expect with any minor differences between the modeling results and what the Federal Services might actually approve would be a percent or so difference in the total number for Board consideration.

Mr. Bare said one of the criticisms he remembered with the FSC audit was rotation age; he stated that the model suggests a rotation age of 80 + years under the preferred alternative which puts DNR very close to FSC requirements.

Mr. Partridge said those are the reasons why he is confident that DNR's management practices could be presented to FSC again for certification. He added that there is no average rotation age and that it's actually a range of rotation ages depending on the management goals of an individual site.

Mr. Nichols asked about the 38% increase in harvest levels?

Mr. Partridge reminded the Board that they have seen the transition schedule showing that it starts at 453 million board feet; there won't be a sharp increase in the amount of harvesting. He added that it's difficult to come up with a number because it depends on what you're comparing it to for example last year, three years ago, ten years ago, etc.

Mr. Nichols said that the baseline the figure is calculated on is the key.

Mr. Partridge said that was correct.

Mr. Bare added that you have to separate what you sell and what you harvest which causes variation as well.

Mr. Cook said that he feels that the actual number is not as important as showing the public that the preferred alternative is sustainable.

Mr. Partridge responded that the prudence of the Board is evident in the annual reporting and monitoring that will be required of the Department.

Mr. Bare pointed out that a big difference between alternative 1 and the preferred alternative is the on-base acreage, a difference between 47% and 83%.

Mr. Partridge responded that a lot of that on-base acreage is in riparian areas and uplands with specific objectives; it's available for management activities that improve the health of the forest and accelerate the development of habitat providing revenue for the trusts as well.

Break at 12:20

Reconvene at 12:30

Mr. Partridge began by describing the sequence of documents relating to Resolution #1134.

- 1) The first document is Attachment One to Resolution #1134, in the form presented at the August 19<sup>th</sup> meeting, dated August 16<sup>th</sup>.
- 2) Amendment proposed by the Department to accept the changes in Attachment One.
- 3) Pink Sheet would be clean version if Board chooses to accept amendment
- 4) Green sheet: editorial changes to policies submitted by Dr. Bare (Policy A, B, C)
- 5) Tan sheet: proposed amendments to policies submitted by Dr. Bare (Policy B, C)
- 6) Resolution #1134
- 7) Lavender sheet: proposed amendments to Resolution 1134 submitted by Mr. Nichols
- 8) Goldenrod sheet: proposed amendments to Resolution 1134 submitted by Dr. Bare
- 9) Additional amendment submitted by Dr. Bare

Mr. Partridge said that as soon as all the amendments were acted on the Chair would turn to final consideration of the resolution and accompanying policies; Jana Greer would be incorporating the amendments as they are voted upon. By adopting the resolution the Department would also be adopting the procedures and tasks listed in appendix F4 of the FEIS. He thanked the Board for the opportunity to work with them over the last few weeks in preparing these materials.

Chair Sutherland thanked the Board for their cooperation in structuring this process in a manner that would make the deliberations more amenable. He stated that Attachment One proposed amendments submitted by DNR staff was on the floor for a motion and what would be the Board's pleasure?

MOTION: Terry Bergeson moved to approve the proposed amendments to Attachment One (Resolution #1134), as submitted by DNR staff.

SECOND: Bruce Bare seconded the motion.

ACTION: Motion passed unanimously.

Chair Sutherland moved to the "pink sheet" which is the version of Attachment One with the amendments just adopted by the Board.

Mr. Bare suggested considering the amendments on the "green sheet", first for Policy A.

Chair Sutherland said they would move on the three policies as separate motions.

MOTION: Bruce Bare moved to accept the editorial comments on the "green sheet" Attachment One Policy A. "On page 2, line 2, after "circumstances", insert "within the planning decade"; and on line 3, strike "in the near term".

SECOND: Glen Huntingford seconded the motion.

DISCUSSION: Mr. Partridge clarified that all the references from here on would be on the "pink sheet".

ACTION: Motion passed unanimously.

Mr. Nichols asked how you'd define near term?

Mr. Bare responded that's the reason it was struck out.

Mr. Nichols asked if that would mean that adjustments could not be made if the preferred alternative were adopted?

Mr. Bare said no it's just the opposite, it would allow an adjustment within the planning decade no matter the cause.

Chair Sutherland referred to Attachment One, Policy B.

MOTION: Bruce Bare moved to accept the editorial amendments for Attachment One, Policy B. On page 2, line 42, strike "average", and insert "mean". On page 3, line 6, strike "average",

and insert "mean". On page 3, line 6, after "annual", insert "timber". On page 3, line 9, strike "average", and insert "mean". On page 3 line, line 10, strike "average is met", and insert "mean is sustained".

SECOND: Glen Huntingford seconded the motion.

ACTION: Motion ~~passed~~ unanimous

Chair Sutherland referred to Attachment One, Policy C.

MOTION: Bruce Bare moved to accept the editorial amendments for Attachment One, Policy C. On page 3, line 28, strike "refined", and insert "improved". On page 3, line 30, strike "can also", and insert "may". On page 3, line 33, strike "creates", and insert "may be used to create". On page 3, line 34, strike "structure that sustains", and insert "structures that sustain". On page 3, lines 34-35, strike "over stands and landscapes", and insert "at the stand and landscape levels". On page 4, line 1, strike "forestland", and insert "forestlands". On page 4, line 1, strike "The active", and insert "Active". On page 4, line 4, strike "and", after "achieve", insert a comma, after "basis", insert a comma. On page 4, line 5, after "structures", strike "that", and insert "over time to". On page 4 line 8, strike "complexity", and insert "diversity across the landscape".

SECOND: Bob Nichols seconded the motion.

ACTION: Motion passed unanimously

Chair Sutherland referred to the "tan" sheet, which are substantive proposed amendments to Attachment One, submitted by Dr. Bare.

MOTION: Bruce Bare moved to accept the amendments for Attachment One, Policy B. On page 3, line 7, after "decade", insert "; except that all State Forest Trust lands outside Capital State Forest and Olympic Experimental State Forest shall be treated as a single sustainable harvest unit for purposes of achieving the allowable variation between decadal timber harvest levels".

**Effect:** Aggregates the State Forest Trust lands (previously Forest Board Transfer) that are otherwise separate sustainable harvest units, in order to apply the +/-25% limit on inter-decadal harvest levels. This allows harvest levels for some counties to exceed the 25% limit as long as the limit is met in the aggregate for these State Forest Trust lands.

SECOND: Glen Huntingford ~~seconded~~ the motion.

DISCUSSION: Mr. Bare explained that it wouldn't change the numbers under either alternative.

Mr. Partridge said the amendment would not change any of the numbers it just changes the policy so that the units would be lumped together.

Mr. Nichols asked if this would allow more permissiveness with variation on the +/-25%?

Mr. Partridge said this amendment would allow the Board to adopt the 636 without violating the policy.



Mr. Nichols said he was concerned about permissiveness and wondered if it gave counties more variation?

Mr. Partridge said it would change the policy to allow the results shown at the August 19<sup>th</sup> BNR meeting, with the 636 variant.

**ACTION:** Motion passed unanimously

Chair Sutherland referenced to Attachment One, Policy C.

**MOTION:** Bruce Bare moved to accept the amendments on Attachment One, Policy C. On page 3, line 41, after "regimes", insert ", are financially or biologically mature, are not needed to contribute to conservation targets, or help meet other management objectives".

**Effect:** Creates a more comprehensive list of conditions for which stand may be selected for regeneration harvest.

On page 4, line 5, strike "broader", and insert "broad and balanced"; strike "aesthetic, recreational, and other public benefits", and insert "ecological, and social benefits to the trust beneficiaries".

**Effect:** Creates an altered list of values to be provide by the combination of forest structures created by the department's' active management, and specifies that those values accrue to the trust beneficiaries.

On page 4, line 10, strike "older forest conditions", and insert "old forests based on structural characteristics".

On page 4, lines 10-13, strike the last two sentences, beginning "The department", and insert the following: "In meeting these targets, Old Growth Research Areas will continue to be deferred and existing old growth (as defined by the HCP) and older stands will be a priority focus in developing the HCP Planning Unit targets."

**Effect:** Retains the language on this topic that was contained in Board Resolution #1110.

**SECOND:** Jim Cook seconded the motion.

**DISCUSSION:** Mr. Nichols asked if in the first amendment was "biologically mature" conducive to harvesting older trees. He added that he was not comfortable with the word "biological".

Ms. Bergeson spoke against the motion and suggested leaving the wording as is.

There was an additional amendment added on page 3, line 40, "stands selected for regeneration harvest include but not be limited to those that have a low possibility for positively responsive partial harvest regimes."

Mr. Nichols asked if Dr. Bare would be acceptable to putting a period after "benefits" in the second amendment of Policy C?

Dr. Bare said he would accept that as a friendly amendment.

Mr. Huntingford asked why they weren't staying consistent with the three circles they've been using for the last few years?

Dr. Bare agreed to that as a friendly amendment as well.





ACTION: Motion passed unanimously

Chair Sutherland stated that Resolution #1134 was on the floor for a motion and that Bob Nichols had submitted proposed amendments to the Resolution (Lavender page).

MOTION: Bob Nichols moved to accept the proposed amendments to Resolution 1134. Section 3: On page 2, line 3, after "tasks.", insert: "In beginning this process, the Board set overall goals to provide for sustainable stewardship of state forest lands, revenue for schools and other beneficiaries, healthy forest ecosystems and productivity, and benefits for all the people of Washington."

**Effect:** Lays out the original goals of the Board.

Section 5: On page 3, after subsection C, insert a new subsection D to read as follows: "In adopting the sustainable harvest level, the Board and the Department will use innovative silviculture practices (referred to as "biodiversity pathways") to address forest health concerns by creating more structurally diverse forests, with a priority for habitat, across the landscape as appropriate, while simultaneously increasing the production of trust revenue. Use of these silvicultural practices will also help meet the habitat goals of the Department's federally approved Habitat Conservation Plan more quickly and thus increase management flexibility over the long term, to the benefit of the trusts."

**Effect:** Includes a finding related to the use of innovative silviculture, including biodiversity pathways.

Section 6: Designate lines 22 through "year" on line 27 as subsection "A".

Insert a new subsection B to read as follows (This incorporates the last sentence of current Section 6.): "The Department shall annually report to the Board of Natural Resources its assessment of the economic, ecological, and social results of implementing the Board's adopted sustainable harvest level. The Department shall provide a report on its efforts to implement "biological pathways" and other innovative silvicultural practices in connection with implementing the sustainable harvest level. Consistent with Policy A in Attachment One of this resolution, the Department shall report to the Board any significant new information or changing circumstances bearing substantially on its achievement of the sustainable harvest level."

**Effect:** Expands on the annual reporting requirement.

SECOND: Terry Bergeson seconded the motion.

DISCUSSION: Mr. Huntingford clarified that the reporting would include social and biological aspects as well.

Mr. Nichols said yes.

ACTION: Motion passed unanimously

Chair Sutherland referenced the "Goldenrod" sheet with proposed amendments to Resolution #1134, submitted by Dr. Bare.

MOTION: Bruce Bare moved to accept the proposed amendments to Resolution #1134.

On page 1, line 19, strike "forestry".

**Effect:** Conforms to statutory language.

SECOND: Glen Huntingford seconded.

ACTION: Motion passed unanimously.

MOTION: Bruce Bare moved to adopt the proposed amendments On page 3, line 5, strike "harvesting at a mean annual level of 597", and insert "sustaining a mean annual harvest of 636". On page 3, line 18, strike "597", and insert "636". On page 3, line 23, strike "597", and insert "636".

**Effect:** Replaces the proposed sustainable harvest level of 597 mmbf, as an annual average, with a proposed level of 636 mmbf.

DISCUSSION: Dr. Bare explained his reasoning behind the amendment to change "597" to "636", saying that the FEIS harvest level is projected to be 636 during that first decade. The consequences of the 636-harvest level are spelled out in the FEIS but not for the 597.

Mr. Huntingford stated that the 636 should be adopted for the same reasons that Dr. Bare laid out. He wanted to remind everyone that when they say the counties are affected it's not just county government but school bonds, hospitals, etc. He added that in his opinion the timber counties would not support the 636 if they did not feel it was sustainable.

Ms. Bergeson said she has been thinking about the number 636 for the past couple of weeks and given what the department has put forward regarding transition and what they feel can be done sustainably she would go with the recommendation of 597 and move against the 636.

Mr. Nichols said that the department's discomfort with the 636-target level and the information they have brought forward to the Board regarding transition has assisted in his decision to move against the 636 and go with the department recommendation of 597. Additionally the impact on intergenerational equity is a concern and in his opinion the 597 spreads it out better.

Mr. Bare stated that he appreciated the comments by other Board members but wanted to clarify the perception that cutting 636 is worse than 597. Essentially cutting 597 is just delaying the achievement of complex forest structures in the outer decades. 636 is a higher harvest level but because it involves more harvesting, thinning, and partial cutting it would create the desirable forest structures faster than the 597.

Mr. Nichols agreed with Dr. Bare's statement but added that the problem he is picking up on with the department is the learning curve needed so that the job can be done right.

Ms. Bergeson reminded them that they could revisit the numbers later in the decade if needed.

Mr. Cook said he has been struggling with these two numbers (597 & 636) and given it a lot of thought. He said he wanted to take a pragmatic approach and referenced a timeline provided by staff. He stated that Dr. Bare has made some excellent points and he has no doubt that it's sustainable; trees are a renewable resource. He looked at the timeline and remarked that if 597 were adopted it would hit stride in year 2009 at 610 and starting in year 2010 from that point on the harvest level would be averaging 636. On the other hand if the 636 were adopted the additional 400 million bf wouldn't be picked up

until the end of the decade because of transition issues. He chose to move against the 636.

Mr. Huntingford asked Mr. Cook if he thought the 636 could be sustained and what did he think would happen with the timber left standing that hadn't been cut?

Mr. Cook said it would be picked up in the next decade.

Chair Sutherland stated that backing clear up to 2001 when he first arrived and the department had the sustainable harvest issue in front of them one of the things he really wanted to do was to make sure that DNR did the whole review in a way that captured everything that needed to be considered. Recognizing the biological capability of the Westside which is an excessive billion board feet per year and if you were to take all lands well in excess of a billion board feet per year and if you looked at what happened from the late 1960's to the year 2001 DNR increased that standing inventory from about 24 billion board feet to about 33, 34 billion board feet still harvesting well above 700 million board feet per year on the average for that 30 year period. He said that looking at what the inventory was in 2001 and in looking at what DNR's legal constraints were and looking at what other constraints were in place, those that were put as a result of the Habitat Conservation Plan (HCP) as well as constraints that were put into place as a management directive, those constraints have forced DNR to continue to harvest at levels significantly below what the estimated annual harvest was supposed to be. He remarked that the net result was that he really wanted the Board to be able to look in depth at all the constraints to really look at the policies that this Board wanted to pursue. He felt that this Board had done an absolutely incredible piece of work and the work that the Board had done was strongly supported by the staff work done by the department, which was just incredible. He stated that he couldn't think of anything that he'd done in thirty years in public life that had more visibility, more openness, and more transparency, than the Sustainable Harvest Calculation process. He mentioned that when DNR arrived at 636 he was very satisfied with that level because he thought it made good sense based on the policies until the question of how to get there was looked at. He noted that looking at the HCP constraints and the amount of time it would take to bring people on board especially with a 20% decline in employment at DNR in the last three years, and cash flow constraints he had significant worry as to how DNR could achieve this. He felt that if DNR tried to ramp up too fast the department would not be able to do the quality of work necessary to be able to do it right and he believes that the department's ability to be able to hit that higher level of 636 is just a little bit beyond DNR's current capacity and capability. He concluded that the 597 number gives him a great deal more comfort that it's achievable and that the department can do it in such a way that it reflects the high quality of work the staff has been pursuing over the past few years. He voted to move against the 636.

Chair Sutherland then asked for a roll call on Dr. Bare's proposed amendment striking "597, and inserting "636".

Chair Sutherland moved to strike against the "636".

Glen Huntingford moved to adopt the "636".

Jim Cook moved to strike against the "636".

Bruce Bare moved to adopt the "636".

Terry Bergeson moved to strike against the "636".

Bob Nichols moved to strike against the "636".

ACTION: 4 no's, 2 yes', the motion to insert "636" was not sustained.

MOTION: Bruce Bare moved to adopt the additional amendments.

On page 3, line 19, strike "will result in", and insert "enables".

**Effect:** Suggests a more indirect relationship between the Board's adoption of the sustainable harvest level and the net economic benefits to the trusts.

On page 3, line 24, strike "prepare", and insert "implement this plan by preparing".

**Effect:** Describes the department's prepared sales as implementation of the Board's sustainable harvest level plan.

On page 3, line 29, after "level", insert "to include the economic, ecological, and social consequences".

**Effect:** Specifies that the department's assessment should cover economic, ecological, and social consequences of implementing the sustainable harvest level.

SECOND: Glen Huntingford seconded the motion.

ACTION: Motion passed unanimously.

Chair Sutherland referenced the last page of edits submitted by Bruce Bare.

On page 3, line 3, strike section 5 (A), and insert "The environmental impacts that may result from the implementation of the chosen policies, procedures, and tasks, and of harvesting at a mean annual level of 597 million board feet per year over the planning decade are within the range of impacts evaluated in the FEIS."

**Effect:** Clarifies that impacts of the implementation scenario of 597 mmbf are within the range of the impacts analyzed in the FEIS, and therefore, the FEIS is adequate to support the Board's decision to adopt a sustainable harvest level of 597 mmbf as a mean annual level for the planning decade.

MOTION: Bruce Bare moved to adopt the last amendment to Resolution #1134.

SECOND: Terry Bergeson seconded the motion.

ACTION: Motion passed unanimously.

Chair Sutherland indicated that they had completed the written amendments.

MOTION: Terry Bergeson moved to approve Resolution #1134 as amended including the amendments to Attachment One.

SECOND: Bruce Bare seconded the motion.

ACTION: Motion passed unanimously.

Mr. Cook stated that the Board owed Bruce Bare a huge debt of gratitude for the leadership he's shown.

Mr. Bare wanted to read a statement he had prepared:

"Today is a historic day for all citizens of the State of Washington.

With approval of the Preferred Alternative described in the Sustainable Forest Management FEIS of July 2004, we embark on a new and exciting course of land stewardship on our state's forest trust lands in western WA. Guided by environmentally and economically sustainable forestry policies and practices, we initiate a new style of active stewardship to meet the needs of society today, as well as for the generations to follow.

Equally significant, the Preferred Alternative retains the framework of the multi-species HCP to provide increased conservation benefits for threatened or endangered species that occupy the forests of western Washington.

I wish to acknowledge the bold leadership provided by Commissioner Doug Sutherland who championed the adoption of the sustainable forestry principles that are embodied in the Preferred Alternative and which will guide the stewardship of our forest trusts in the future. I also wish to acknowledge the outstanding job of many staff within the Department who accumulated the information, ran the models, synthesized the results and prepared countless memos and reports.

The Board recognizes that, unlike federal or privately owned forests, Washington's state forests are trust assets - to be perpetually managed for the benefit of designated beneficiaries, such as schools and universities as well as other public institutions. State law holds that so long as all applicable federal and state laws are satisfied, fiduciary responsibilities are paramount in the management of the trusts no matter how laudatory other state goals or public benefits may be. And, the Board also recognizes that protection of the forest trust asset to benefit future generations must be balanced against the ambitions of present generations.

Adoption of the Preferred Alternative and its associated policies enables the professional natural resource managers of the Department to properly manage and protect our forest trust assets. To facilitate changes to the Preferred Alternative, each year, the Department will be required to report to the Board on how well the Preferred Alternative is performing as measured by a balanced mix of environmental, economic and social indicators.

No one is claiming that the Preferred Alternative is perfect. In fact, we all know that uncertainties inherent in managing complex natural resource systems do not allow this luxury. Rather, guided by the latest and best science at our disposal, we chart a future direction that we believe is in the best interests of the trusts and the people of Washington.

Much has been said today about the pros and cons of adopting the Preferred Alternative. Clearly, given the complexity of the issues involved, there is ample room for people to draw differing conclusions – and they have. My endorsement of the Preferred Alternative (PA) as described in the FEIS is influenced in part by the following results I expect from implementation of same:

- 1) Each year in the first decade, only about 1.5% of the 1.4 million acres of forest land in western WA are impacted by a regeneration harvest, thinning or partial harvest (includes both upland and riparian acres).
- 2) The inventory of standing timber volume grows by 45% over the next 64 years from that present today – from 31 to 45 billion bf.
- 3) The total timber harvest over the next 64 years averages 543 mmbf/year. This is less than 1.5% of the average inventory volume.
- 4) In the first decade, the PA produces 636 mmbf/year.

- 5) Under the PA, 83% of the forest trust land base is available for active management -- a significant increase over today's allocation.
- 6) The average rotation age under the PA is 84 years.
- 7) Biodiversity of the forest trust improves over the next 64 years as the percentage of the land base covered by structurally diverse forests increases to 29% (now 24%) while the percentage of overly dense competitive exclusion forests decreases to 60% (now 68%).
- 8) Under the PA, 10-15% of each HCP planning unit is maintained in structurally old forests with priority to retain existing old natural forests. This meets the requirements of the HCP while working to sustain species dependent on such habitats.
- 9) Forests in the riparian areas are managed using innovative biodiversity regimes to aid restoration of ecological functionality as soon as possible.

These examples illustrate that the PA is sustainable and that it will improve the health of our western WA forests. The timber harvest vs. inventory statistics alone should convince the most skeptical critic that the Preferred Alternative is sustainable. But, more importantly, the improving distribution of stand structures leading to more complex forest structures to provide habitat for species requiring old forest conditions, improved forest practices such as variable density thinning and partial harvests to speed the development of competitive exclusion forest structures to more complex structures, and the protection of riparian and wet lands to aid recovery of important aquatic resources lead me to support the Preferred Alternative."

Note: The specific numbers presented above refer to the PA as described in the FEIS.

Ms. Bergeson stated that this has been a difficult process for everyone and wanted DNR staff to know that the Board respects them as professionals and appreciates the work they've done on the SHC. She voiced her respect for the Board and the thoughtfulness they contributed.

Mr. Nichols thanked the staff for all their assistance and wanted to give a special thanks to Angus Brodie.

Chair Sutherland stated that there has been continuing correspondence with Whatcom County officials regarding the Lake Whatcom Landscape Plan and there will be a Lake Whatcom presentation at the October 5<sup>th</sup> Board meeting. He said that this has been the best hard working Board he's ever seen, he congratulated them on their work and willingness to achieve this goal. He thanked the general public for their consistent contribution of information and testimony.

Meeting adjourned at 2:40 p.m.



Approved this \_\_\_\_ day of \_\_\_\_\_, 2004

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Doug Sutherland, Commissioner of Public Lands

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Bob Nichols for Governor Gary Locke

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Bruce Bare, Dean, University of Washington

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R. James Cook, Dean, Washington State University (Interim)

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Terry Bergeson, Superintendent of Public Instruction

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Glen Huntingford, Commissioner, Jefferson County

Attest:

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Sasha Lange, Board Coordinator



WASHINGTON STATE DEPARTMENT OF  
**Natural Resources**  
Doug Sutherland - Commissioner of Public Lands

Resolution 1134 - Attachment One

August 16, 2004

**Sustainable Forestry Policy Changes**

**Board of Natural Resources Policy Changes**

A. **CIRCUMSTANCES TRIGGERING THE NEED FOR A RECALCULATION OF  
THE SUSTAINABLE HARVEST LEVEL**

**DISCUSSION**

State law requires that the Department shall manage the state-owned lands under its jurisdiction, which are primarily valuable for the purpose of growing forest crops on a sustained yield basis. "To this end, the Department shall periodically adjust the acreages designated for inclusion in the sustained yield management program and calculate a sustainable harvest level." (RCW 79.10.320). State law also defines sustainable harvest level as, "Sustainable harvest level means the volume of timber scheduled for sale from state-owned lands during a planning decade as calculated by the department and approved by the board." (RCW 79.10.300(5)).

The legislature envisioned that the sustainable harvest level is likely to need adjustment from time to time, based on the quantity, quality, growth, and availability of the timber resource on state lands. At the time the statute was enacted, the suitable time period was thought to be one decade, with the average annual sustainable harvest level remaining constant during the decade.

Currently, the factors affecting a stable long-term sustainable harvest calculation remain dynamic. Regulatory requirements are in flux, and information about the resource base continues to improve. In addition, new more powerful and flexible computer models have emerged, making it feasible to adjust the harvest level as circumstance changes. At the same time, the fundamental trust obligations and statutory requirements continue to be the foundation of policy.

**POLICY**

**The department, with board approval, will recalculate the statewide sustainable harvest level, for board adoption no less frequently than every ten years.**

DRAFT: Subject to change and amendment

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v.6.doc Page 1 of 4

August 12, 2004

1  
2 The department will adjust the calculation and recommend adoption by the board when  
3 the department determines changing circumstances suggest that an adjusted harvest level  
4 in the near term would be prudent. Such circumstances may include major changes in  
5 legal requirements, significant new policy direction from the board, new information about  
6 the resource base available for harvest, or changes in technology.  
7  
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9

10  
11 **B. DEFINITION OF SUSTAINABILITY FOR THE SUSTAINABLE**  
12 **HARVEST CALCULATION**

13 **DISCUSSION**  
14

15 State law defines "sustained yield" as "management of the forest to provide harvesting on a  
16 continuing basis without major prolonged curtailment or cessation of harvest."  
17 (RCW 79.10.310). A common law duty of the state as trustee is to not favor either present or  
18 future trust beneficiaries over each other. Sustained yield management helps accomplish this  
19 duty.  
20

21 Within that broad statutory direction, various interpretations of sustained yield management are  
22 possible. Differences in interpretation may relate to the size of areas subject to separate  
23 calculations of sustainable yield of timber, for example, either the state trust ownership as a  
24 whole or smaller areas; the degree of variability of timber harvest over time; and the aspect of  
25 forest management to be the primary focus of sustainability, such as area or volume of timber  
26 harvested or retained, or revenue earned.  
27

28 In the past, the department has divided the forest land base into separate sustainable harvest units  
29 based on county boundaries, the department's administrative regions, and several separately  
30 treated areas. In addition, the department has set the variability of harvest over time based on a  
31 non-declining even-flow objective. The department has calculated sustainable yield based on  
32 timber volume. The Board of Natural Resources has expressed a desire for a more flexible  
33 system as the basis for the sustainable harvest calculation.  
34

35 (Lands formerly know as Forest Board Transfer and Forest Board Purchase are now defined in  
36 RCW 79.02.010(10) as "State Forest Lands." For purposes of this policy, former Forest Board  
37 Transfer lands will be called "State Forest Trust Lands," and former Forest Board Purchase  
38 Lands will be called "State Forest Purchase Lands.")  
39

40 **POLICY**  
41

42 For Western Washington the department will calculate, and the Board will adopt, a  
43 separate long-term decadal sustainable harvest level, expressed as average annual timber  
44 volume for a planning decade, for twenty distinct sustainable harvest units, as follows:  
45 Each of the seventeen county beneficiaries of State Forest Trust lands separately, and all of  
46 the federally granted trusts and State Forest Purchase lands in Western Washington  
47 together, with the exception that the

DRAFT: Subject to change and amendment

1 Olympic Experimental State Forest and the Capitol State Forest shall each have a separate  
2 calculation regardless of trust.

3  
4 In order to ensure intergenerational equity among beneficiaries, within each sustainable  
5 harvest unit, the ~~ealeulated-decadal-harvest-volume-level~~ department shall calculate an  
6 estimated multi-decade harvest level such that the average annual volume for any decade  
7 may-should not vary up or down no-more than approximately 25% from the level of the  
8 preceding decade. In order to take advantage of shorter term operational or market  
9 opportunities, the harvest level for any year within the planning a decade may also  
10 fluctuate up to 25% plus or minus from the average annual harvest level adopted by the  
11 Board decadal-average, as long as the decadal average is met over the decade.

12  
13 Subject to all applicable legal and policy direction, the department will analyze the  
14 financial characteristics of forest stands in order to optimize the economic value of  
15 forest stands and timber production over time, in calculating the sustainable harvest level,  
16 in planning and scheduling timber harvests, in making investments in forest growth, and in  
17 searching for the least-cost methods of achieving other forest management objectives.  
18

19  
20 C. GENERAL SILVICULTURAL STRATEGY APPLIED TO THE TIMBER  
21 RESOURCE BASE AVAILABLE FOR SUSTAINABLE HARVEST IN WESTERN  
22 WASHINGTON

23 DISCUSSION

24  
25 The department defines silviculture as the art and science of cultivating forests to achieve  
26 objectives. The department uses a flexible, site-by-site approach for evaluating and  
27 implementing silvicultural treatments, based on site specific, rotational or long term analysis  
28 incorporating return on investment, variable biological conditions, and physical limitations. Site-  
29 specific silvicultural prescriptions include intensive activities such as refined planting stock, site  
30 preparation, fertilization, and thinning, as budgets allow at the time prescribed activities come  
31 due. Innovative silvicultural treatments can also be used to create, develop, enhance, or maintain  
32 forest biodiversity and health. For example, the objective of the "biodiversity pathways"  
33 approach to silviculture, presented by Carey et al (1996) is for simultaneous increases in  
34 production of both habitat and income. This approach creates complex, multi-aged stand  
35 structure that sustains key forest stand elements to replicate vital ecological functions over stands  
36 and landscapes.

37  
38 All silviculture strategies are applied within a context of specific stand-level or larger area  
39 objectives to achieve long-term sustainable flow of forest products, services and other relevant  
40 values. Stands whose progress toward objectives is below potential are generally chosen for  
41 management intervention. Stands selected for regeneration harvests include those that have a low  
42 possibility for a positive response to partial harvest regimes.

43  
44 POLICY

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46 The department will follow legal requirements in maintaining the greatest possible portion  
47 of the trust forest lands as on-base.

DRAFT: Subject to change and amendment

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2 **The department will provide professional management of forestland through**  
3 **active stewardship of on-base lands. The active management of the land base**  
4 **will be carried out as an integral part of the department's fiduciary**  
5 **responsibilities and to achieve on a landscape basis a combination of forest**  
6 **structures that provide for broader economic, conservation, aesthetic,**  
7 **recreational and other public benefits. The department will use intensive and**  
8 **innovative silviculture to guide the desired progression of stand development**  
9 **to simultaneously produce trust revenue and create structural complexity**  
10 **The department will target over time 10 to 15 percent of each western**  
11 **Washington HCP Planning Unit for older forest conditions. The department**  
12 **will use retention of existing old growth stands (as defined in the HCP) as a**  
13 **priority in achieving these targets. Retained areas may include Old Growth**  
14 **Research Areas described in Policy PO14-014.**  
15

**Proposed Amendments to Board of Natural Resources Draft Resolution #1134**

**By** \_\_\_\_\_

**Attachment One, Policy B**

In the document entitled "Resolution 1134 – Attachment One, dated August 16, 2004, in Policy B, pages 2-3, make all proposed changes indicated by strike-outs and underlines, on page 2, lines 42, 43, and 44, and page 3, lines 5, 6, 7, 9, 10, 11, and 15.

**Effect:**

Makes changes proposed by the Department at the August Board meeting, in response to Board discussion at the July Board meeting. These changes clarify the respective roles of the Department and the Board, emphasize that the Board decision is to adopt an average annual sustainable harvest level for a single decade, while the Department's calculation is for a multi-decade period. The changes also replace "approximately", applying to the inter-decadal +/- 25% variance limit, with "should not vary up or down more than". The changes also clarify that analysis of financial characteristics of forest stands is taken into account in calculating the sustainable harvest level.





WASHINGTON STATE DEPARTMENT OF  
**Natural Resources**  
Doug Sutherland - Commissioner of Public Lands

Resolution 1134 - Attachment One

September 7, 2004

**Sustainable Forestry Policy Changes**

**Board of Natural Resources Policy Changes**

**A. CIRCUMSTANCES TRIGGERING THE NEED FOR A RECALCULATION OF  
THE SUSTAINABLE HARVEST LEVEL**

**DISCUSSION**

State law requires that the Department shall manage the state-owned lands under its jurisdiction, which are primarily valuable for the purpose of growing forest crops on a sustained yield basis. "To this end, the Department shall periodically adjust the acreages designated for inclusion in the sustained yield management program and calculate a sustainable harvest level." (RCW 79.10.320). State law also defines sustainable harvest level as, "Sustainable harvest level means the volume of timber scheduled for sale from state-owned lands during a planning decade as calculated by the department and approved by the board." (RCW 79.10.300(5)).

The legislature envisioned that the sustainable harvest level is likely to need adjustment from time to time, based on the quantity, quality, growth, and availability of the timber resource on state lands. At the time the statute was enacted, the suitable time period was thought to be one decade, with the average annual sustainable harvest level remaining constant during the decade.

Currently, the factors affecting a stable long-term sustainable harvest calculation remain dynamic. Regulatory requirements are in flux, and information about the resource base continues to improve. In addition, new more powerful and flexible computer models have emerged, making it feasible to adjust the harvest level as circumstance changes. At the same time, the fundamental trust obligations and statutory requirements continue to be the foundation of policy.

**POLICY**

**The department, with board approval, will recalculate the statewide sustainable harvest level, for board adoption no less frequently than every ten years.**

DRAFT: Subject to change and amendment

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August 12, 2004



1 The department will adjust the calculation and recommend adoption by the board when  
2 the department determines changing circumstances suggest that an adjusted harvest level  
3 in the near term would be prudent. Such circumstances may include major changes in  
4 legal requirements, significant new policy direction from the board, new information about  
5 the resource base available for harvest, or changes in technology.  
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10 **B. DEFINITION OF SUSTAINABILITY FOR THE SUSTAINABLE**  
11 **HARVEST CALCULATION**

12 **DISCUSSION**  
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29 treated areas. In addition, the department has set the variability of harvest over time based on a  
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5 harvest unit, the department shall calculate an estimated multi-decade harvest level such  
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19 **C. GENERAL SILVICULTURAL STRATEGY APPLIED TO THE TIMBER**  
20 **RESOURCE BASE AVAILABLE FOR SUSTAINABLE HARVEST IN WESTERN**  
21 **WASHINGTON**

22 **DISCUSSION**

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40 management intervention. Stands selected for regeneration harvests include those that have a low  
41 possibility for a positive response to partial harvest regimes.

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43 **POLICY**

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DRAFT: Subject to change and amendment

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August 12, 2004

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2 active stewardship of on-base lands. The active management of the land base  
3 will be carried out as an integral part of the department's fiduciary  
4 responsibilities and to achieve on a landscape basis a combination of forest  
5 structures that provide for broader economic, conservation, aesthetic,  
6 recreational and other public benefits. The department will use intensive and  
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9 The department will target over time 10 to 15 percent of each western  
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13 Research Areas described in Policy PO14-014.  
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DRAFT: Subject to change and amendment

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August 12, 2004



**Proposed Amendments to Board of Natural Resources Draft Resolution #1134**

**By: Bruce Bare**

**Attachment One, Policy A**

On page 2, line 2, after “circumstances”, insert “within the planning decade”; and on line 3, strike “in the near term”.

**Attachment One, Policy B**

On page 2, line 42, strike “average”, and insert “mean”.

On page 3, line 6, strike “average”, and insert “mean”.

On page 3, line 6, after “annual”, insert “timber”.

On page 3, line 9, strike “average”, and insert “mean”.

On page 3, line 10, strike “average is met”, and insert “mean is sustained”.

**Attachment One, Policy C**

On page 3, line 28, strike “refined”, and insert “improved”.

On page 3, line 30, strike “can also”, and insert “may”.

On page 3, line 33, strike “creates”, and insert “may be used to create”.

On page 3, line 34, strike “structure that sustains”, and insert “structures that sustain”.

On page 3, lines 34-35, strike “over stands and landscapes”, and insert “at the stand and landscape levels”.

On page 4, line 1, strike “forestland”, and insert “forestlands”.

On page 4, line 2, strike “The active”, and insert “Active”.

On page 4, line 4, strike “and”, after “achieve”, insert a comma, after “basis”, insert a comma.

On page 4, line 5, after “structures”, strike “that”, and insert “over time to”.

On page 4, line 8, strike “complexity”, and insert “diversity across the landscape”.

**Effect:** These are editorial amendments.

**Proposed Amendments to Board of Natural Resources Draft Resolution #1134**

**By: Bruce Bare**

**Attachment One, Policy B**

On page 3, line 7, after "decade", insert ";except that all State Forest Trust lands outside Capital State Forest and Olympic Experimental State Forest shall be treated as a single sustainable harvest unit for purposes of achieving the allowable variation between decadal timber harvest levels".

Effect: Aggregates the State Forest Trust lands (previously Forest Board Transfer) that are otherwise separate sustainable harvest units, in order to apply the +/- 25% limit on inter-decadal harvest levels. This allows harvest levels for some counties to exceed the 25% limit as long as the limit is met in the aggregate for these State Forest Trust lands.

**Attachment One, Policy C**

On page 3, line 41, after "regimes", insert ", are financially or biologically mature, are not needed to contribute to conservation targets, or help meet other management objectives".

Effect: Creates a more comprehensive list of conditions for which stands may be selected for regeneration harvest.

On page 4, line 5, strike "broader", and insert "broad and balanced"; strike "aesthetic, recreational, and other public benefits", and insert "ecological, and social benefits to the trust beneficiaries".

Effect: Creates an altered list of values to be provided by the combination of forest structures created by the department's active management, and specifies that those values accrue to the trust beneficiaries.

On page 4, line 10, strike "older forest conditions", and insert "old forests based on structural characteristics".

On page 4, lines 10-13, strike the last two sentences, beginning "The department", and insert the following: "In meeting these targets, Old Growth Research Areas will continue to be deferred and existing old growth (as defined by the HCP) and older stands will be a priority focus in developing the HCP Planning Unit targets."

Effect: Retains the language on this topic that was contained in Board Resolution #1110.



**Proposed Amendment to Board of Natural Resources Draft Resolution #1134**

**By: Bob Nichols**

**SECTION 3**

On page 2, line 3, after “tasks.”, insert:

“In beginning this process, the Board set overall goals to provide for sustainable stewardship of state forest lands, revenue for schools and other beneficiaries, healthy forest ecosystems and productivity, and benefits for all the people of Washington.”

Effect: Lays out the original goals of the Board.

**SECTION 5**

On page 3, after subsection C, insert a new subsection D to read as follows:

“In adopting the sustainable harvest level, the Board and the Department will use innovative silvicultural practices (referred to as “biodiversity pathways”) to address forest health concerns by creating more structurally diverse forests, with a priority for habitat, across the landscape as appropriate, while simultaneously increasing the production of trust revenue. Use of these silvicultural practices will also help meet the habitat goals of the Department’s federally approved Habitat Conservation Plan more quickly and thus increase management flexibility over the long term, to the benefit of the trusts.”

Effect: Includes a finding related to the use of innovative silviculture, including biodiversity pathways.

**SECTION 6**

Designate lines 22 through “year” on line 27 as subsection “A”.

Insert a new subsection B to read as follows (This incorporates the last sentence of current Section 6.):

“The Department shall annually report to the Board of Natural Resources its assessment of the economic, ecological, and social results of implementing the Board’s adopted sustainable harvest level. The Department shall provide a report on its efforts to implement “biological pathways” and other innovative silvicultural practices in connection with implementing the sustainable harvest level. Consistent with Policy A in Attachment One of this resolution, the Department shall report to the Board any significant new information or changing circumstances bearing substantially on its achievement of the sustainable harvest level.”

Effect: Expands on the annual reporting requirement.



**Proposed Amendments to Board of Natural Resources Draft Resolution #1134**

**By: Bruce Bare**

On page 1, line 19, strike “forestry”.

Effect: Conforms to statutory language.

On page 3, line 5, strike “harvesting at a mean annual level of 597”, and insert “sustaining a mean annual harvest of 636”.

On page 3, line 18, strike “597”, and insert “636”.

On page 3, line 23, strike “597”, and insert “636”.

Effect: Replaces the proposed sustainable harvest level of 597 mmbf, as an annual average, with a proposed level of 636 mmbf.

On page 3, line 19, strike “will result in”, and insert “enables”.

Effect: Suggests a more indirect relationship between the Board’s adoption of the sustainable harvest level and the net economic benefits to the trusts.

On page 3, line 24, strike “prepare”, and insert “implement this plan by preparing”.

Effect: Describes the department’s prepared sales as implementation of the Board’s sustainable harvest level plan.

On page 3, line 29, after “level”, insert “to include the economic, ecological, and social consequences”.

Effect: Specifies that the department’s assessment should cover economic, ecological, and social consequences of implementing the sustainable harvest level.

**Proposed Amendment to Board of Natural Resources Draft Resolution #1134**

**By:** \_\_\_\_\_

On page 3, line 3, strike Section 5(A), and insert “The environmental impacts that may result from the implementation of the chosen policies, procedures and tasks, and of harvesting at a mean annual level of 597 million board feet per year over the planning decade are within the range of impacts evaluated in the FEIS.”

**Effect:** Clarifies that impacts of the implementation scenario of 597 mmbf are within the range of the impacts analyzed in the FEIS, and therefore, the FEIS is adequate to support the Board’s decision to adopt a sustainable harvest level of 597 mmbf as a mean annual level for the planning decade.